

Presentment Date & Time: April 8, 2019 at 10:00 a.m. (Eastern Time)

Objection Deadline: April 5, 2019 at 4:00 p.m. (Eastern Time)

Hearing Date & Time (Only if Objection Filed): To be Scheduled

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*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	:
	:
SEARS HOLDINGS CORPORATION, et al.,	:
	:
Debtors.¹	:
	:
-----x	

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovol Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

**NOTICE OF PRESENTMENT OF
STIPULATION AND ORDER PERMITTING
THE KCD INDENTURE TRUSTEE TO FILE CONSOLIDATED
PROOFS OF CLAIM UNDER A SINGLE CASE NUMBER**

PLEASE TAKE NOTICE that on **April 8, 2019 at 10:00 a.m. (Eastern Time)**, the attached Stipulation and Order Permitting the KCD Indenture Trustee to File Consolidated Proofs of Claim Under a Single Case Number (the “**Stipulation**”) will be presented to the Honorable Robert D. Drain, in the United States Bankruptcy Court for the Southern District of New York, located at 300 Quarropas Street, White Plains, New York 10601 (the “**Bankruptcy Court**”) for approval and signature.

PLEASE TAKE FURTHER NOTICE that any responses or objections (“**Objections**”) to the Stipulation shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted *pro hac vice*, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 and the *Amended Order Implementing Certain Notice and Case Management Procedures*, dated October 17, 2018 (ECF No. 405), so as to be so filed and received no later than **April 5, 2019 at 4:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that, if a written Objection is timely filed and served, a hearing (the “**Hearing**”) will be held to consider the Stipulation before the Honorable Robert D. Drain in the Bankruptcy Court on a date to be announced.

PLEASE TAKE FURTHER NOTICE that if an Objection to the Stipulation is not received by the Objection Deadline, the Bankruptcy Court may enter an order granting the relief sought without further notice.

Dated: March 29, 2019
New York, New York

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----x	
In re	:
SEARS HOLDINGS CORPORATION, et al.,	:
Debtors.¹	:
	Chapter 11
	Case No. 18-23538 (RDD)
	(Jointly Administered)
-----x	

**STIPULATION AND ORDER PERMITTING
THE KCD INDENTURE TRUSTEE TO FILE CONSOLIDATED
PROOFS OF CLAIM UNDER A SINGLE CASE NUMBER**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovol Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

This stipulation, agreement, and proposed order (this “**Stipulation**”) is entered into by and among Sears Holdings Corporation and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), and U.S. Bank, National Association in its capacity as indenture trustee (in such capacity, the “**KCD Indenture Trustee**,” and, together with the Debtors, the “**Parties**”) under the Indenture, dated as of May 18, 2006, by and between KCD IP, LLC, as Issuer (“**KCD IP**”), and the KCD Indenture Trustee (as amended, supplemented or modified from time to time, the “**Indenture**”). The Parties have agreed that the KCD Indenture Trustee will be permitted to file consolidated proofs of claim (the “**Proofs of Claim**”) which will be deemed to have been filed in each of the Debtors’ cases identified in such Proofs of Claim, for the reasons and on the terms and conditions set forth below:

Recitals

A. Beginning on October 15, 2018 (the “**Commencement Date**”) and continuing thereafter, each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered under Chapter 11 Case No. 18-23538 (RDD), pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

B. On February 22, 2019, the Court entered an order (the “**Bar Date Order**”) fixing, among other things, April 10, 2019 at 5:00 p.m. (Eastern Time) as the deadline for filing proofs of claim against the Debtors (the “**Bar Date**”). The Bar Date Order and the notice of bar date (the “**Bar Date Notice**”) distributed by the Debtors specifically require that a claimant with claims

against more than one of the Debtors file a separate proof of claim in the case of each Debtor against which that claimant asserts a claim.

C. In May of 2006, KCD IP, a non-debtor affiliate of the Debtors, was assigned certain rights to the Kenmore, Craftsman, and Diehard trademarks and tradenames (collectively the “**Sears Trademarks**”) in connection with a series of agreements providing for the issuance of asset-backed securities (the “**Notes**”) under the Indenture.

D. KCD IP licensed the use of the Sears Trademarks under certain License Agreements, dated May 18, 2006, (collectively, and as the same may be amended, supplemented or modified from time to time, the “**License Agreements**,” and each a “**License Agreement**”) with, among others, Debtors Sears, Roebuck and Co. (“**Sears Roebuck**”) and KMART Corporation (“**KMART**” and, together with Sears Roebuck and any other Debtor counter-party to a License Agreement, the “**Debtor-Licensees**”), respectively. In addition, to secure its obligations under the Indenture, KCD IP granted the KCD Indenture Trustee a security interest in, among other things, the Sears Trademarks and the License Agreements (the “**Collateral**”).

E. Sears Holdings Management Corporation was appointed as Servicer (the “**Debtor-Servicer**”) of the Sears Trademarks and Sears Brands Business Unit Corporation was appointed as Manager (the “**Debtor-Manager**”) of the Sears Trademarks.

E. The KCD Indenture Trustee has concluded that it may be required to file numerous separate claims against the Debtor-Servicer, the Debtor-Manager, and the Debtor-Licensees. Therefore, compliance with the Bar Date Order may require the KCD Indenture Trustee to file numerous separate proofs of claim. These multiple claims would impose a significant administrative burden on the Debtors, the KCD Indenture Trustee, the Court, and Prime Clerk LLC, the Debtors’ claims and noticing agent. As a result, the Parties have agreed on an approach,

as discussed below, which will permit the KCD Indenture Trustee to file consolidated claims against all Debtors.

AGREEMENT

1. Notwithstanding any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, any order of this Court (including the Bar Date Order), the Bar Date Notice, or any approved proof of claim form that otherwise would require the KCD Indenture Trustee to file separate proofs of claim against each of the Debtors, it expressly is agreed herein, subject to approval of this Stipulation by the Court, that the filing of consolidated Proofs of Claim by the KCD Indenture Trustee on its own behalf or on behalf of the holder of the Notes in the chapter 11 case of Sears Holdings Corporation, Case No. 18-23538 (RDD) (the “**Lead Case**”) on or before the Bar Date, shall be deemed filed by the KCD Indenture Trustee in the Lead Case and in the cases of each of the Debtors’ chapter 11 cases.

2. This Stipulation is intended solely for the purpose of administrative convenience and shall not affect the substantive rights of the Debtors, the KCD Indenture Trustee, or any other party in interest including, without limitation, the allowance, amount, or priority of the KCD Indenture Trustee’s claims or any objection, defense, offset, or counterclaim with respect thereto.

3. The terms of this Stipulation also shall apply to any amendments that the KCD Indenture Trustee may make with respect to any timely filed proof of claim against any of the Debtors.

4. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. A signature transmitted by facsimile or other electronic copy shall be deemed an original signature for purposes of this Stipulation.

5. This Stipulation contains the entire agreement by and among the Parties with respect to the subject matter hereof, and all prior understandings or agreements, if any, are merged into this Stipulation.

6. This Stipulation may be changed, modified or otherwise altered in a writing executed by the Parties to this Stipulation. Oral modifications are not permitted.

7. This Stipulation shall be effective immediately upon approval by the Bankruptcy Court.

8. The Bankruptcy Court shall retain jurisdiction to hear any matters or disputes arising from or relating to this Stipulation.

9. Nothing herein shall constitute an acknowledgement or finding as to whether any Debtors are liable to the KCD Indenture Trustee, and all Parties reserve all rights with respect to each Debtor's liability to the KCD Indenture Trustee; provided further, that nothing contained herein shall be deemed an admission, acknowledgement, or limitation with respect to the scope, validity or priority of the Parties' respective rights or claims.

Dated: March 29, 2019
New York, New York

THE KCD INDENTURE TRUSTEE

/s/ Christopher M. Desiderio

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*Attorneys for Debtors
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Dated: _____, 2019
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE